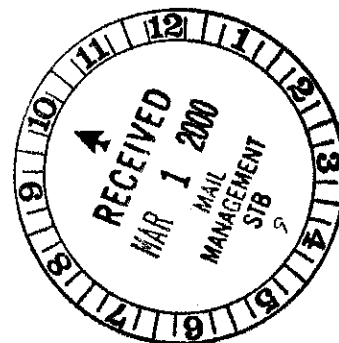




157354
GENEVA STEEL

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February 29, 2000

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Office of the Secretary
Case Control Unit
1925 K Street, N.W.
Washington, D.C. 20243-0001

ENTERED
Office of the Secretary

MAR 01 2000

Part of
Public Record

Re: STB Ex Parte No. 582, Public Views on Major Rail Consolidations

Dear Mr. Williams:

In reference to Geneva Steel's scheduled appearance on Thursday, March 9, 2000, at 11:28 A.M., the following outlines our basic testimony:

Background

1. Geneva Steel is preparing to emerge from Chapter 11 bankruptcy protection.
2. Steel market conditions recovering from import deluge of past two years.
3. Geneva Steel will regain financial footing.
4. Further disruptions in rail service could negatively impact recovery.

Rail: Geneva's Important Link

1. Geneva Steel is a land locked integrated steel mill that is dependent on rail transportation for inbound raw materials and outbound steel shipments.
 - a. Impact of UP/SP merger – overall issues
 - b. Impact of Conrail split-up – cycle time slow down impacts car supply & availability. Disruptions in raw material supply.

Concerns Over BNSF/CN Merger

1. Downstream effects of another round of rail mergers.
2. Given Geneva Steel's dependence upon rail transportation, another disruption in rail service could injure progress Geneva Steel has recently made (Geneva Steel has been heavily impacted financially by previous mergers).
3. Additional mergers may spark new regulations of the rail industry and reverse important gains railroads and shippers have obtained through deregulation.

Mr. Vernon A. Williams
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Call to Action

1. Delay new rail mergers at this time.
2. Allow rail industry time to stabilize from the impact of recent mergers prior to allowing new mergers.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken C. Johnsen". The signature is fluid and cursive, with the first name "Ken" being more prominent.

Ken C. Johnsen
Executive Vice President